

Education and Workforce Development Cabinet

Kentucky's jobless rate increases to 10 percent in August

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Editor's Note: Preliminary August and revised July labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate rose to 10 percent in August 2010 from a revised 9.9 percent in July 2010, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The August 2010 jobless rate is .8 percentage points lower than the 10.8 percent rate recorded in August 2009 for the state. The 10 percent rate recorded in August 2010 matches the unemployment rate recorded in June 2010 and is the highest since that month.

"Kentucky's economy is struggling to mount a sustained recovery as consumers keep a tight rein on spending. Faced with a stagnate labor market, sluggish wage growth, and declining wealth, households are saving more and spending less on discretionary items," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate increased to 9.6 percent in August 2010 from 9.5 percent in July 2010, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Four of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment

increase in August 2010, while seven decreased, according to OET. A decrease of 7,000 jobs in August 2010 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,768,600. In contrast, Kentucky's nonfarm employment has grown by 11,800 workers since August 2009.

According to the seasonally adjusted employment data, Kentucky's trade, transportation and utilities sector lost 2,800 jobs in August 2010. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 365,200 employees. Since August 2009, the number of jobs in this sector has jumped by 4,200.

"While retail trade accounted for the majority of the decrease in this sector, there was employment growth in the transportation, warehousing and utilities industry because of an expansion at a shipping company," said Detzel.

The government sector, which includes public education, public administration agencies and state-owned hospitals, dropped by 1,700 jobs in August 2010. The sector has 100 more jobs compared to August 2009.

The professional and business services sector decreased by 1,500 positions in August 2010. This area includes professional, scientific and technical services; management of companies and administrative support; and waste management, including temporary help agencies. Since last August, jobs in the sector have surged by 12,700.

"The year-over-year growth in this sector is concentrated in administrative and support companies and is a sign of expansions at such businesses as call centers, billing firms, and technical support enterprises," said Detzel.

The educational and health services sector reported 1,200 fewer workers in August 2010 than in July 2010. The sector has added 1,700 workers since August 2009. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

"Employment losses in this sector occurred predominantly at health care and social assistance businesses, which reflect the closing of an ambulance service and layoffs at a medical center," said Detzel.

The financial activities sector lost 700 jobs in August 2010. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has fallen by 3,200 positions over the past 12 months.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses; personal and laundry services; religious organizations and civic and professional organizations, fell by 200 positions in August 2010. This sector had 2,300 fewer positions in August 2010 than in August 2009.

Employment in the mining and logging sector dropped by 200 workers in August 2010. The sector has gained 500 workers since August 2009.

Kentucky's leisure and hospitality sector expanded by 700 jobs in August 2010. Since August 2009, the sector has added 700 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

"The employment gains in August 2010 are attributed to accommodations and food services enterprises because of the openings of a hotel and numerous restaurants," said Detzel.

Kentucky's manufacturing sector jobs rose by 400 in August 2010. Since August 2009, employment in the manufacturing sector has expanded by 3,200 positions.

"The year-over-year job expansion occurred in the durable goods subsector, which is indicative of a major manufacturer recalling temporary workers, an automobile parts plant rehiring workers and the openings of various durable goods producers," she said.

Construction sector jobs rose by 100 in August 2010. Since August 2009, employment in the construction sector has plunged by 5,200 jobs.

The information sector reported 100 more positions in August 2010. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 600 positions since August 2009.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for August 2010 was 1,861,983 on a seasonally adjusted basis. This figure is up 1,481 from the 1,860,502 employed in July 2010, and up 5,436 from the 1,856,547 employed in August 2009.

The monthly estimate of the number of unemployed Kentuckians for August 2010 was 205,938, up 2,173 from the 203,765 Kentuckians unemployed in July 2010, but down 19,846 from the 225,784 unemployed in August 2009.

The monthly estimate of the number of Kentuckians in the civilian labor force for August 2010 was 2,067,921. This figure is up 3,654 from the 2,064,267 recorded in July 2010, but down 14,410 from the 2,082,331 recorded in August 2009.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.